Spring 1998

OSHPD MONITOR

OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT

care for vulnerable populations

health planning

health education

community building

community benefit legislation

health information services

public health partnership

prenatal care

immunizations

Cover Story: Not-for-Profit Community Benefit Legislation

Spring 1998

The purpose of the OSHPD Monitor is to promote communication with our clients, healthcare providers, health professional training programs, associations, legislative representatives, and the public.

The mission of the Office of Statewide Health Planning and Development is to plan for and support development of healthcare delivery systems that meet the current and future needs of the people of California.

The Monitor is published quarterly by the Office of Public Affairs. Address corrections and contributions should be sent to OSHPD, Office of Public Affairs, 1600 9th Street, Room 435, Sacramento, California 95814, (916) 654-1499.

State Releases Report on Not-For-Profit Hospital Community Contributions

The Office of Statewide Health Planning and Development (OSHPD) released a Report to the Legislature on the community benefits provided by not-for-profit hospitals in California.

By law, not-for-profit hospitals are exempt from paying any income or property taxes. In return for this favorable tax treatment, the hospitals are expected to provide certain benefits to their communities. Legislation that took effect in 1995 required the non-profit hospitals to submit detailed information to OSHPD on their community benefit contributions and to estimate their economic value. The OSHPD Report to the Legislature summarizes the information gathered from the hospitals.

"We see that the non-profit hospitals provide an impressive array of community programs and services" commented Dr. David Werdegar, Director of the Office. "They include emergency services, charity care, health education, counseling and support groups, and health promotion and illness prevention programs. As well, many of the community hospitals play an important role in the training of physicians, nurses, and other health professionals."

The majority of California's 555 hospitals are not-for-profit facilities and account for over 80% of the hospital beds in the state. Whatever surplus revenues they generate are plowed back into the hospital to enhance patient care and community services. The benefit reports filed by local non-profit hospitals describe how they use their resources to address priority health issues in their communities. Public institutions such as UC hospitals, county facilities, district hospitals, and certain small and rural hospitals did not have to report. "The overall response from the hospitals was very positive," Dr. Werdegar said. "Surprisingly, 14 hospitals that were not required to report participated voluntarily."

The SB 697 legislation had a unique feature: it required the hospitals to conduct an assessment of health needs in the community, and use the "needs

"The community benefit bill has stimulated cooperative and collaborative community health planning on a scale that has rarely been witnessed in recent years."

assessment" to plan its benefit programs together with other local health care institutions, community-based organizations, and consumer groups.

Top community health needs identified by the hospitals were:

- Improved access to care and more affordable health insurance
- Community health education
- Substance abuse education and treatment programs
- Domestic violence prevention
- AIDS education and treatment services
- Teen pregnancy prevention
- Mental health services.

On the whole, many of the non-profit hospitals were gearing their community programs to meet those needs. "The community benefit bill has stimulated cooperative and collaborative community health planning on a scale that has rarely been witnessed in recent years," commented Dr. Werdegar. "Hospitals, local health departments, and community organizations are working together on plans to improve the health of their community."

OSHPD was asked to provide recommendations to the Legislature on standardized formats for reporting and on benefits that should be emphasized. Recommendations include an outline to guide the community benefit planning process and to promote greater consistency in the reporting of benefits and benefit activities. The report states "The planning process should be a collaborative one between hospitals and their partners in the community. The local community should play a central role in identifying needs and priorities, and it should participate in the benefit planning process. Similarly, the community should be involved in monitoring the implementation of benefit activities and their impact on the identified needs."

It is anticipated that hospitals will continue to work with OSHPD to improve and refine benefit-planning methods including data collection, needs assessment, and outcome evaluation. Technical assistance from OSHPD and information-sharing conferences on community benefit issues should support continued improvement in community benefit planning and reporting.

The legislation requires the hospitals to report on their benefit programs annually and to conduct new community needs asssessments every three years. The bill gives the community an unusual opportunity to review the benefit plans to their local non-profit hospitals and to participate in planning new programs.

The OSHPD Report and individual hospital plans may be obtained by contacting the Office of Public Affairs at (916) 654-1499.

New Deputy, Title and Direction for Healthcare Information Division

Michael G. Kassis
Deputy Director
Healthcare Information Division

Michael G. Kassis was appointed Deputy Director of the OSHPD Health Facilities Data Division of the Office of Statewide Health Planning and Development (OSHPD) in September, 1997. One of the first things Kassis did when he took over as director of the Health Facilities Data Division was to change its name. The Division is now known as the Healthcare Information Division (HID). "The word 'data' conjures up images of dusty documents sitting in file cabinets," says Kassis. "We wanted to emphasize the idea of getting the information out, not just collecting it," he said.

As Deputy Director, Kassis leads a division responsible for compiling and distributing information about cost, quality utilization and access to health services for use by other state agencies, local government, healthcare consultants, researchers and healthcare providers. The Division gathers the information from hospitals, nursing facilities, clinics, home health agencies and hospices. With the rapid evolution of healthcare delivery and financing, demand for the Division's data has expanded to include health plans and purchasing groups such as the Pacific Business Group on Health.

HID's catalog of data products and publications are available over the Internet. The most immediate way to obtain this information is through OSHPD's web site and the Healthcare Information Division's home page. Users can review the products they desire and order by credit card. They can also "download", at no cost, much of the data they once obtained on paper, thus allowing them to perform analyses more easily.

Another source of healthcare information is HID's publication *Hospital Quarterly Data Trends*. Produced quarterly, *Trends* is prepared for a wide audience interested in information about California hospitals. Each edition is designed to be an at-a-glance summary of quarterly hospital data. The eight page publication seeks to present the data in an interesting, and hopefully more useful way. "I want this Division to be the focal point for healthcare information," says Kassis. "Through *Trends* our readers can learn the latest on healthcare issues and financial and utilization reporting." Financial indicators include gross patient revenue and hospital operating expenses. Utilization indicators include patient days and lengths of stays, depicted statewide and regionally. *Trends* is also available on the Internet.

With the tumultuous changes occurring in the industry, accurate information is vital to the management of healthcare institutions. Knowledge and information is the key to making informed decisions.

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www.oshpd.ca.gov

An update on What's New

OSHPD's web site continues to evolve with some recent additions from the Department's Healthcare Information (HID), Health Policy and Planning (HPP), and Facilities Development (FDD) divisions. For example, users can now access hospital financial and utilization data, a recently released heart attack study, and the latest changes to hospital design and construction regulations.

The **Healthcare Information Division** has added a "What's New" page, containing links to their newest publications and data. A listing containing the names, addresses, and phone numbers of all hospitals, long-term care facilities, licensed clinics and home health agencies is now available. Users can also retrieve downloadable files containing hospital annual and quarterly financial data; long-term care facility financial data; and utilization data for hospitals, long-term care facilities, clinics and home health agencies.

Part of the appeal of a web site is its ability to receive user feedback and then respond to their concerns. For example, there were requests to have hospital emergency room designation (trauma, basic, standby) included in the data. This will be accommodated in the future.

The Division plans to add even more data:

- Patient discharge data;
- Licensed service programs;
- Selected hospital annual financial data reports;
- Accounting and Reporting manuals for California hospitals and long-term care facilities;
- Hospital annual disclosure reports;
- Long-term care facility integrated disclosure; and
- Medi-Cal cost.

The **Health Policy and Planning Division's** recent addition includes the Report on Heart Attacks, 1991-1993 (See Article on Heart Attack Care, Page 9). A user-friendly design allows for easy navigation of this web page and provides detailed information on why heart attacks were chosen to be studied; how the study and results were validated; how many hospitals were included in the study; how hospitals were compared; and how you can receive a copy of the report.

HPP has received requests for access to reports on community benefits and information on hospital closures. Web site information changes responding to these requests are under development.

Facilities Development Division has also made significant enhancements to its web page, now allowing users to locate reference information that is commonly requested, such as:

- Policy Intent Notices;
- Code Application Notices;
- SB 1953 regulations;
- FDD's Bulletin Board instructions;
- Office phone and pager numbers;
- Hospital Building Safety Board roster; and
- Appeals process procedures.

OSHPD continues to strive for an inviting, colorful and easy to use web site. Comments are always welcome and appreciated. Please "Search" for us and let us know what you think.

Part of the appeal of a web site is its ability to receive user feedback and then respond to their concerns.

OSHPD Proposes Revitalization of Data Programs

Competitive market forces play an ever-increasing role in shaping California's healthcare delivery system. The efficiency of a competitive marketplace depends on the availability of accurate information, so that all stakeholders can make informed choices. In this environment, OSHPD's healthcare data programs have become increasingly important sources of information needed by providers, purchasers, insurers, managed care organizations, consumers, and government agencies. For example, data collected by OSHPD provide the basis for making market and business decisions, for calculating reimbursements, for analyzing utilization of health services, and for evaluating quality of care. The demand for timely, reliable and accessible information continues to grow with the rapid pace of change in California's healthcare system.

In response to legislative request, the California Health Policy and Data Advisory Commission (CHPDAC) issued a report to OSHPD in December, 1996 outlining a broad and ambitious agenda for improving the health of Californians through better and more useful information. The report contains recommendations designed to improve and enhance the reporting, collection, and dissemination of critical information from health facilities:

- Reduce the time required for the collection and public availabililty of hospital patient discharge data;
- Review all existing financial and utilization databases to evaluate the potential for combining, streamlining, or eliminating report requirements;
- Collect patient-level data from emergency rooms and ambulatory surgery settings;
- Develop an implementation plan using optimal technology for data collection, processing, linkage, and dissemination functions; and
- Develop broad, flexible statutory language authorizing data collection, data standards, outcome measurements, data linkages and other healthcare studies, and extend the OSHPD data program sunset date to 2004.

As several of these recommendations require statutory change, a legislative proposal was prepared by the Office and presented earlier this year to the CHPDAC for review and comment. After a series of meetings, which included representation of all interested parties, the Office developed its final version of the proposal with draft legislative language.

The primary focus of the proposal is a five-year program centered on the improvement of technology to allow for more timely and expanded healthcare data collection. The basic elements of the proposal are:

- Beginning in 2000, hospitals will submit patient discharge data on electronic media (tape or diskette) within 3 months of the end of a reporting period (rather than the 6 months currently allowed);
- Also beginning in 2000, the patient discharge data reported will have to be consistent with OSHPD's edit criteria and accuracy standards before they are submitted;
- Beginning in 2001, hospitals will submit patient discharge data using electronic transmission;
- OSHPD will make the patient discharge data available to the public within 15 days of accepting a hospital's report;
- OSHPD will make available software to assist facilities in meeting electronic filing and data accuracy standards;
- Beginning in 2002, OSHPD will begin collecting patient level data from hospital emergency rooms and from both hospital-

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Appointments

OSHPD staff, Boards and Commissions

OSHPD Staff

In January 1998, **Tacia Carroll** was promoted to Construction Finance Supervisor in the Cal-Mortgage Loan Insurance Division, replacing Bob Kemis who retired. Tacia has been with Cal-Mortgage since 1989 where she served as a Construction Financing Specialist/Representative. Prior to her work at Cal-Mortgage, she worked in OSHPD's Administration Division as a Senior Account Clerk and Budget Analyst. Collectively, she has been with OSHPD for 18 years. Her educational background includes business studies at Sacramento City College and the California State University, Sacramento.

Darlene J. Schell has been promoted to Acting Assistant Director for the Office of Public Affairs. Darlene has been working as the Public Information Officer for the Office since 1996, overseeing its Graphics Department, *Monitor* production and other special projects. Prior to her work in public affairs, she served as the emergency response coordinator for OSHPD's Facilities Development Division, working closely with the Hospital Building Safety Board and its committees. She has worked for over 18 years in a number of state positions and departments, providing her with an extensive knowledge of State government and its programs.

California Health Policy and Data Advisory Commission (CHPDAC)

Vito Genna is Administrator of Fredericka Manor, a 174-bed non-profit nursing facility in Chula Vista. Mr. Genna has seventeen years' experience in the long-term care industry, including Hill Haven in Petaluma and Samaritan Senior Services in Arizona. His educational background includes a Bachelor's and MBA from Iona College in New Rochelle, New York. Mr. Genna is a board member of the California Association of Homes and Services for the Aging.

Cal-Mortgage Advisory Loan Insurance Committee (ALIC)

Kathy Lim Ko currently works as a consultant in healthcare-related areas, including capital project development, program and fund development, cultural competency, and managed care. Ms. Ko was formerly an Associate Director for Asian Health Services in Oakland, serving there in a senior

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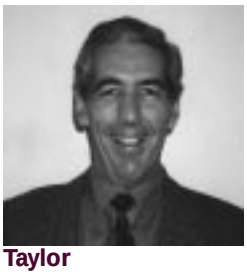
Carroll


Schell


Genna


Lim Ko


Taylor


Adelman


Cheu


Harris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management capacity for 13 years. Her primary areas of responsibility were in program planning, fund development and capital acquisition. She has served on the Boards of the Oakland Chinatown Chamber of Commerce, Bay Area Asian Health Alliance, the Asian Women's Shelter, and Californians United. Ms. Ko is a graduate of Stanford University and the Harvard School of Public Health.

Robert (Bob) Taylor has served as an advisor in healthcare administration, finance and accounting for the past 7 years and was instrumental in the building of the Ararat Home, a $24 million retirement community complex with a 99-bed nursing facility in Mission Hills. Prior to that and for over 15 years, he owned and operated two skilled nursing facilities in Pasadena. From 1986 to 1991, Bob served as Chairman of the California Health Policy and Data Advisory Commission (CHPDAC).

Sharon Nevins returns to the Committee following a leave of absence. She is the Acting Chief Financial Officer for the Laguna Honda Hospital, Department of Public Health for the City and County of San Francisco. She is responsible for budgeting, financial planning and financial reporting for the divisions of Public Health and coordinates the resolution of financial issues that may arise among the divisions, the Mayor and the Board of Supervisors. Sharon has effectively implemented charging policies and billing mechanisms for outpatient visits at the health centers. She received her Bachelor of Science degree from the University of Missouri and Masters degrees in Health Service Administration and Business Administration from Stanford University.

Hospital Building Safety Board

Andrew A. Adelman is the Chief Building Official for the City of Los Angeles, where he oversees plan review for numerous construction projects. His areas of expertise include: building, plumbing, mechanical, and electrical codes; planning and zoning regulations; engineering principles; and federal, state and local laws and ordinances for residential, commercial and industrial buildings. Prior to his current job, he held a similar position for the City of San Jose. He is a licensed professional civil engineer in California, Arizona and Nevada. Mr. Adelman graduated from the University of California, Berkeley with Bachelor of Science degrees in civil and nuclear engineering and holds a Masters degree in structural engineering.

Donald H. Cheu, M.D., F.A.C.S., is the Medical Director for the Emergency Medical Services, Department of Health Services, in San Mateo County. His 30+ years of medical and emergency response experience has made him an expert in these areas, resulting in a high demand for his time and services. In addition to his appointment to the Hospital Building Safety Board, he also serves on the California Seismic Safety Commission's Emergency Planning and Response Committee, the Emergency Medical Care Committee for San Mateo County, and the Industrial Emergency Council Board of Directors. He is a Medical Consultant for the American Red Cross' Golden Gate Chapter for Disaster Health Services. He also chairs the Kaiser Permanente Emergency Preparedness Disaster Interest Group for Northern California and the American Red Cross Bay Area Disaster Committee. Dr. Cheu received his BA from Stanford University and medical degree from the University of California San Francisco, School of Medicine.

Ruth Harris, R.N., retired in 1994 as a Case Management/Discharge Planner for the Methodist Hospital in Sacramento. Her 35-year nursing career afforded her the opportunity to work as a staff nurse, charge nurse and unit manager in various health systems in Ohio and California. As a very active volunteer, her community service activities include the American Cancer Society, American Heart Association, California Nurses Association and Retired Senior Volunteer Program. Ms. Harris received her Licensed Vocational Nurse Degree from the Central School of Practical Nursing in Cleveland, Ohio and her AA Degree in Registered Nursing from the Sacramento City College.

Steven C. Mynsberge is a Project Director for the McCarthy Construction Company in Newport Beach. He has 19 years of experience in Construction and has been with the McCarthy Construction Company for over 18 years. Mr. Mynsberge's career

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The Future of Managed Healthcare in California

Governor Wilson unveils principles for reform

Californians have increasingly turned to managed care for their healthcare needs: nearly 85 percent of insured Californians are currently under managed care health coverage. Over three out of four of them express satisfaction with their health plans, according to surveys. Even so, consumer complaints about benefits, medical care and delays have become more pronounced in recent years.

In 1997, Governor Wilson and the Legislature formed the Managed Health Care Improvement Task Force to report on the challenges and opportunities of improving managed healthcare. In a statement about the Task Force, the Governor said, "I wanted the Task Force's advice on how the public sector could establish a framework of laws, then step aside and allow the markets to do what they do best in every other industry: drive continuous quality improvement and control costs."

The 30-member panel, chaired by Stanford University business and health policy professor Alain Enthoven, was charged with comprehensively reviewing managed healthcare in California and providing recommendations regarding the appropriate role for government in its monitoring and regulation. Clark Kerr, Chair of CHPDAC, served as the Task Force co-chair. OSHPD Director, Dr. Dave Werdegar, was also a member, ex officio. California's membership in managed care plans grew from 8.7 million in 1990 to 13.7 million in 1996. The Task Force found that despite its growth and popularity, managed healthcare has not been immune from problems. According to a study conducted by the UC Berkeley School of Public Health for the Task Force, 42 percent of Californians complained of some type of problem in the last year. These complaints ranged from billing and paperwork problems to quality of medical care issues such as delays and difficulty in seeing a specialist.

On the upside, however, the study found that a majority (76 percent) of Californians enrolled in a managed care program reported overall satisfaction with their coverage, compared to 56 percent nationally.

On January 5, 1998, the Task Force completed its work and submitted its findings and recommendations to the Governor and the Legislature.

The Governor favors managed care reforms that rely mainly on the free market rather than government mandates. To assure healthcare quality and protect access for workers, while providing the maximum amount of benefits to the largest possible number of Californians, the Governor has indicated that he is prepared to work with the Legislature to enact needed reforms. More specifically:

Improving Oversight of Managed Care: Through the creation of a new department, improve accountability, provide high quality of care and ensure solvency. The department would also be authorized to obtain and publish standardized information on the results of treatments and providers, enabling consumers to obtain appropriate comparative information to drive improvements in the quality of care.

Improving the Quality of Managed Care: With an improved focus on the patient/physician relationship, health plan performance and medical integrity, improve the quality of managed healthcare through: the allowance of medically necessary treatments; improved continuity of care; extended referrals to specialists; continued access to medically-necessary drugs; and meeting the health needs of women through improved access and coverage to OB/GYN physicians and contraception benefits, including an allowance for an appropriate length of stay for those women undergoing mastectomies.

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35 Hospitals Statewide Rate Better Than Expected

OSHPDs Third Report on Heart Attack Care

OSHPD released the most recent report of the California Hospital Outcomes Project on December 15, 1997. This report, the third in a series, contains comparative information on the performance of hospitals in caring for patients with heart attacks (AMI). The state's first report on heart attack care was published in December 1993 and the second report in May 1996. The new report studies heart attack cases from 1991 through 1993, using a refined methodology based on the results of a special validation study completed last year.

Heart attacks are one of the leading causes of death in both California and the nation. Each year, approximately 40,000 heart attack patients are admitted to California hospitals. For these reasons, the Office chose heart attack to be one of the first conditions studied in the Hospital Outcomes Project.

The results contained in the current report indicated that, of the 431 hospitals that were eligible to participate in the study, 35 performed significantly better than expected, while 31 hospitals performed worse than expected. (There were 18 hospitals that reported no deaths due to heart attack, but had too few cases to be appropriately categorized.)

Using "risk-adjusted" measures of outcome to gauge hospital performance is a relatively new and rapidly developing field and California is a leader in conducting this type of study. Applying sophisticated statistical methods, the "expected" mortality rate for each hospital is calculated after adjusting for differences in the age, gender, severity of illness and other "risk factors" of the patients treated. Each hospital's actual result is then compared with the expected rate. This enables the State to attach a performance rating to each hospital. The statistical analyses for the report were conducted in collaboration with a health services research team at UC Davis and UC San Francisco, led by Patrick Romano, M.D., M.P.H., and Harold Luft, Ph.D.

Hospital responses to this report have been positive and constructive. In fact, many hospitals have used the report to review their practices and procedures with a view to enhancing their own efforts to improve the quality of care in their facilities. Insurers, HMO managers, and consumer groups use the report in discussions with providers about ways to improve performance. For example, there has already been discussion among decision makers at the state's Public Employees' Retirement System (PERS) about including the information in educational materials they send to members during the open enrollment period for health plans. PERS is the largest healthcare purchasing pool in the State, insuring more than 1 million Californians.

The performance ratings based on outcomes of heart attack care provide valuable information about one aspect of hospital quality. While this report focuses on outcomes, other measures of healthcare quality — such as patient satisfaction — are also important. The goal of this and other studies of its kind is to help Californians make informed decisions in the healthcare marketplace, by providing objective information about the quality of hospital services in their local communities.

The report is available on-line by accessing the OSHPD home page at: **www.oshpd.ca.gov**, or **www.oshpd.ca.gov/hpp/chop.htm**. A copy of the report can also be obtained by calling the Data Users Support Group at (916) 322-2814.

Cal-Mortgage Program

Opportunites for California Healthcare Facilities

Flag raising at St. Paul's Senior Homes and Services with children of the child care program.

Many types of healthcare facilities across California are eligible for assistance by the Cal-Mortgage Program. This assistance is in the form of insurance for certain types of loans taken out by the borrower — loans for construction, expansion, modernization, acquisition or renovation. Following are two recent projects for which Cal-Mortgage has secured loans.

St. Paul's Senior Homes and Services (St. Paul's) in San Diego has proven to be a leader in providing innovative and affordable care for low income seniors in the San Diego community. OSHPD's Cal-Mortgage Loan Insurance Program guaranteed a $7,140,000 loan to St. Paul's on September 13, 1994. This loan provided funds to refinance the existing mortgage debt, purchase St. Paul's Villa land lease, and renovate the Villa and St. Paul's Family Health Center.

The concept of St. Paul's retirement community for the elderly individual of modest means took form as early as 1953. A Board of Directors comprised of members of the community formed a nonprofit entity and, with the help of St. Paul's Parish, purchased the original land in San Diego in January of 1960. The first residents of the Manor were welcomed in January of 1963. Since that time, St. Paul's has evolved and continues to expand. It currently owns and operates four facilities: St. Paul's Manor, Villa, the John A. McColl Family Health Center, and the Community Care Center.

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Collectively, St. Paul's facilities are an important community asset – providing independent living, assisted living, skilled nursing, hospice, respite, home care, adult day services and child care. St. Paul's has a multi-disciplinary approach, which looks to varied social, physical, spiritual, ethnic and cultural needs. Its specific services include housing, personal and medical care, pastoral care, indoor and outdoor recreational and physical activities, intergenerational programs, day care, and support programs for the family, along with education, training and research. In 1997, St. Paul's (excluding the new Community Care Center which opened in mid-year) had a 93% occupancy rate, serving approximately 334 Residents.

St. Paul's most recent and innovative expansion was the opening of the first *Intergenerational Day Care Center* of its kind in Southern California. This program responds to the need both for high quality child care and high quality senior day care. While children and seniors have their own individual activities, they are assembled at least twice a day for group activities. In the morning, for example, they are brought together for the raising of the flag and the Pledge of Allegiance. Afternoon activities vary from baking cupcakes, to singing songs or doing art projects together. Often the seniors are seen in the infant room either rocking a baby to sleep or watching the toddlers crawl around the room. Located in the Community Care Center, St. Paul's provides day care services to working families who are in need of outside care for their children and for senior family members. The Center is open from 6:00 a.m. to 7:00 p.m. five days a week. Infants from two months through preschool age are accepted as are school age children requiring before and after school care. The program also offers many opportunities for the residents of all of the facilities to volunteer and interact with the children through reading programs, arts and crafts projects, etc., when the children visit the facilities each week.

St. Paul's provides day care services to working families who are in need of outside care for their children and for senior family members.

The loan insured by Cal-Mortgage is for a term of twenty years. Cal-Mortgage will monitor the Project for that entire period. Over the course of the next twenty years, St. Paul's residents, and daytime enrollees, will receive quality care and enjoy the social and educational programs that have been an integral part of St. Paul's success.

The Peg Taylor Center for Adult Day Health Care
Chico, California
Photograph by Brenda Brimhall

The Center's healing philosophy is to promote independence and well being.

Adult day healthcare provides a unique and supportive atmosphere for older adults who need help with their daily healthcare needs and for younger adults with disabling conditions. At the **Peg Taylor Center for Adult Day Health Care** in Chico, this nonprofit program provides personalized treatment plans to meet the needs of its participants. In December 1990, OSHPD's Cal-Mortgage Loan Insurance Program guaranteed a loan of $509,167 allowing the Peg Taylor Center to construct a new permanent facility, which accommodates up to 60 clients per day. The loan insured by Cal-Mortgage is for a term of thirty years.

The Peg Taylor Center is owned and operated by Innovative Health Care Services and has provided adult day health services in Butte, Glenn and Tehama counties since 1986. Services are available for people ages 18 and over who have debilitating health problems such as strokes, diabetes, respiratory or cardiac illnesses, physical injury or Alzheimer's Disease.

The Center's healing philosophy is to promote independence and well being. With the help of its expert staff, healthcare professionals offer a number of services including: physical, occupational and speech therapies; nursing and personal care; social work services; recreational activities; nutritional counseling and hot lunches; transportation services; psychological counseling; support for clients and their caregivers; health education; and, respite for caregivers. The Center also has a specialized program for people with Alzheimer's Disease and related disorders, known as "Peg's Place."

The Peg Taylor Center is responding to a need for high quality, adult day healthcare in the Chico area. Community support for this project has been strong, as shown through the many generous community contributions and the work of many dedicated people. Through this support and that of the Peg Taylor staff, lives of many have been improved.

LEGISLATIVE UPDATE

Notification Requirements for Skilled Nursing and Intermediate Care Facilities (AB 2747)

The Office is sponsoring legislation to eliminate the requirement for Skilled Nursing and Intermediate Care Facility owners to notify OSHPD of their intention to apply for a new license, commence construction or remodeling, or increase bed capacity. Notification is currently required prior to the issuance of a building permit. However, the information is no longer used by OSHPD, the health facilities, or the general public. The legislation will result in improved timeliness in review of plans and reduced costs to these health facilities, by eliminating this unnecessary reporting requirement.

In addition, the bill will repeal outdated or confusing language, and make other technical amendments to the Hospital Seismic Safety Act in order to clarify existing statute.

AB 2747 is being carried by Assemblywoman Elaine Alquist (D-Santa Clara).

Health Data Improvement (SB 1973)

OSHPD is sponsoring a bill to implement the five priority recommendations made by the California Health Policy and Data Advisory Commission (CHPDAC) in their report to the Office "Improving Health Information for the Benefit of All Californians". The bill would significantly enhance the Office's data programs in the following areas:

- Improve the timeliness of hospital patient discharge data;
- Make available patient-level data from hospital emergency rooms and ambulatory surgery facilities;
- Evaluate existing financial and utilization databases for possible streamlining of reporting requirements;
- Use optimal technology to enable the Office to collect, verify and disseminate healthcare data to the public in the most efficient manner; and
- Establish a mechanism to monitor and facilitate the modifications to improve the State's health information system.

The bill, SB 1973, is being carried by Senator Ken Maddy (R-Fresno) and co-authored by Assemblywoman Kerry Mazzoni (D-Novato).

Rural Health Grants

Acting on his commitment to rural health, the Governor included $2 million in the 1998-99 budget to fund the Rural Health Services Grants Program under the purview of the Rural Health Policy Council. Day-to-day administration of the program is a collaborative effort of the Office of Statewide Health Planning and Development and the Department of Health Services.

The Rural Health Grants Program was first funded in 1996/1997, with $5 million from the Cigarette and Tobacco Surtax Fund created by Proposition 99. The program reflected the interest of the Administration in the expansion of services by healthcare providers who rendered uncompensated care to the uninsured residents of rural California.

The original 1996-97 program included grants to rural hospitals; "collaborative grants" for innovative programs to create new or expand existing healthcare services; and small grants ($25,000 each) to clinics, county health agencies, and community-based providers. The program was again funded, in the following year, with $1.9 million for grants to rural hospitals and to community based providers.

Following is a list of Rural Hospital Services Grant and Rural Health Services Small Grant award winners for the current funding cycle. If you have any questions, please call Manuela Lachica, Primary Care Resources and Community Development Division, at (916) 654-1311.

1997/98 RURAL HOSPITAL SERVICES GRANT AWARDS

Hospital	Award
Avalon Municipal Hospital	$ 3,000
Barton Memorial Hospital	25,000
Bear Valley Community Healthcare	3,000
Biggs-Gridley Memorial Hospital	25,000
Colusa Community Hospital	13,950
Corcoran District Hospital	7,698
Dos Palos Memorial Hospital	3,000
Eastern Plumas District Hospital	7,748
Frank R. Howard Memorial Hospital	25,000
Glenn Medical Center	3,000
Hazel Hawkins Memorial Hospital	14,860
Indian Valley Hospital	3,000
John C. Fremont Healthcare District	7,371
Lassen Community Hospital	10,362
Lindsay District Hospital	11,336
Lompoc District Hospital	6,077
Mammoth Hospital	7,305
Mark Twain St. Joseph's Hospital	21,544
Marshall Hospital	25,000
Memorial Hospital at Exeter	3,000
Mendocino Coast District Hospital	25,000
Mercy Medical Center Mt. Shasta	12,046
Modoc Medical Center	3,000
Needles Desert Communities Hospital	12,776
Oak Valley Hospital	5,186
Ojai Valley Community Hospital	3,000
Palo Verde Hospital	7,323
Plumas District Hospital	7,672
Redbud Community Hospital	21,219
Ridgecrest Regional Hospital	5,434
San Gorgonio Memorial Hospital	3,243
Santa Ynez Valley Cottage Hospital	3,000
Seneca Hospital District	6,309
Sierra King District Hospital	3,000
Sierra Valley District Hospital	3,000
Siskiyou General Hospital	15,850
Sonora Community Hospital	11,205
St. Elizabeth Community Hospital	25,000
Surprise Valley Community Hospital	3,000
Sutter Coast Hospital	21,895
Sutter Lakeside Hospital	25,000
Tahoe Forest Hospital District	14,136
Trinity General Hospital	12,445
Tuolumne General Hospital	25,000
Ukiah Valley Medical Center	25,000
Westside District Hospital	3,000
Total	$528,940

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1997/98 RURAL HEALTH SERVICES SMALL GRANT ($25,000) AWARDS

Clinic/County Health Agency/Community-based Provider

Alpine County EMS
Butte Valley Health Center
Campo Mountain Health Center
Camptonville Community Service District
CHCCC, Coastal Medical Center
CHCCC, Los Robles Community Medical Center
CHCCC, Nipomo Community Medical Center
CHCCC, The Doctor's Office
Clinicas De Salud Del Pueblo-Winterhaven
CMC, dba Dixon Family Practice
CMC, dba San Andreas Family Practice
CMC, dba Tracy Family Practice
Coastal Health Alliance
Community Health Center, Lost Hills
Death Valley Health Center
Del Norte Clinics, Colusa Family Dentistry
Del Norte Clinics, Gridley Family Health Center
Del Norte Clinics, Hamilton City Medical Center
Del Norte Clinicas, Orland Family Health
El Dorado County Mental Health Department
El Dorado County Public Health Department
EOC Health Services of San Luispo County, Inc.
Health Valley Medical Clinics, Inc.
Imperial County Mental Health Services
Inyo County Health & Human Services
Ivanhoe Family Healthcare Center
Kings View Mental Health
Lake County Department of Health Services
Livingston County Health Services
Long Valley Health Center
Mendocino Coast Clinics, Inc.
Mendocino Community Health Clinic
Mendocino Community Health Clinic – Laws Avenue
Morongo Basin Mental Health, Inc., Panora
Mt. Shasta Medi-Cal Clinic, I
North County Health Services
Occidental Area Health Center
Porterville Family Health Care Center
Redwood Coast Medical Services, Inc.
Rodrigo Terronez Memorial Clinic
Russian River Health Center
Salud Clinic
San Luis Obispo County Public Health
San Mateo County Health Services Agency
Shasta Community Health Center
Sierra Family Medical Clinic, Inc.
Southern Indian Health Council, Inc.
St. John of God Health Care Services
The Mobile Medical Office
Tulare Community Health Clinic
Tulare County Health & Human Services Agency
Valley Health Team, Inc., Kerman Health Center
Wasco Medical & Dental Center
Woodlake Family Health Center
Youth Enrichment Services

Nurse Practitioner and Physician Assistant Training Grant Awards

Manpower Policy Commission decisions on nurse practitioners and physician assistant programs

At a recent meeting of the California Health Manpower Policy Commission, grant awards for the 1998-99 fiscal year were made in support of the physician assistant (PA) and family nurse practitioner (FNP) programs. These awards will help to support the efforts of these training programs and maximize the efforts to increase the supply and improve the geographic distribution of primary care providers in the State.

NURSE PRACTITIONER & PHYSICIAN ASSISTANT TRAINING GRANT AWARDS

School	Program Type	Base Funding	FNP Expansion	PA Expansion	Special Projects	Total
UC, Davis	PA	$153,385	--	$105,181	$ 78,955	$377,521
Stanford University	PA	$142,080	--	$103,447	$ 67,626	$313,153
Drew University	PA	$ 84,826	--	$ 56,725	$ 70,846	$212,397
UCLA	FNP	--	$202,000	--	--	$202,000
UC, San Francisco	FNP	$ 45, 010	$144,638	--	--	$189,648
University of Southern California	PA	$ 97, 280	--	$ 62,611	--	$159,891
Western University	PA	--	--	$ 72,019	--	$ 72,019
UC, San Diego	FNP	--	$ 37,293	--	$ 32,566	$ 69,859
Azusa Pacific University	FNP	--	$ 51,500	--	--	$ 51,500
University of Southern California	FNP	--	$ 51, 462	--	--	$ 51,462
CSU, Long Beach	FNP	--	$ 50,739	--	--	$ 50,739
Riverside Community College	PA	$ 27,419	--	--	--	$ 27,419
Total		$550,000	$537,362	$399,983	$249,993	$1,737,362

Any questions relating to the grant awards or the physician assistant and family nurse practitioner programs may be directed to Susan Brazil, Primary Care Resources and Community Development Division at (916) 654-2091.

The Healthcare Industry is Gearing up for Big Change

Insuring the Seismic Safety of our Health Facilities

Senate Bill 1953 is now part of the California Health and Safety Code. The specific provisions of SB 1953 require the Office of Statewide Health Planning & Development (OSHPD) to define seismic performance categories and develop seismic evaluation and retrofit procedures for general acute care hospital facilities.

The Alfred E. Alquist Hospital Seismic Safety Act (Alquist Act) established a seismic safety building standards program under OSHPD's jurisdiction for hospitals built on or after March 7, 1973. The Alquist Act was initiated because of the loss of life incurred due to the collapse of hospitals during the Sylmar earthquake of 1971. The Alquist Act emphasizes that essential facilities such as hospitals, should remain operational after an earthquake. Hospitals built in accordance with the standards of the Alquist Act resisted the recent Northridge earthquake with minimal structural damage, while several facilities built prior to the Act experienced major structural damage and had to be evacuated.

General Acute Care Hospitals only, as defined in the Health & Safety Code Section 1250, subdivision (a), have to comply with the regulations developed by OSHPD, as required by SB 1953. If a facility is to continue in use as a general acute care hospital, the owner must conduct seismic evaluations, prepare a compliance plan and meet specified structural and nonstructural performance criteria.

During the development of the seismic evaluation procedure regulations (Phase I), OSHPD was advised by the Hospital Building Safety Board, in addition to numerous architectural and engineering professionals. This enabled OSHPD to incorporate ideas into the seismic evaluation suggestions from private sector experts involved in the design and construction of hospitals. One source document used in the development of these evaluation procedures is FEMA 178, NEHRP Handbook for the Seismic Evaluation of Existing Buildings (FEMA 1992).

Phase I of the SB 1953 regulations consists of eleven articles. The primary purpose of these regulations is to evaluate the potential seismic performance of each hospital building or building component and to place each building into specified performance categories. They include seismic performance categories for new and existing acute care hospital facilities in various gradations —from those capable of providing services after a seismic event to those at significant risk of collapse. Each general acute care hospital building would receive both a Structural Performance Category and a Nonstructural Performance Category rating, and both categories will be considered in determining a facilities compliance with the Alquist Act.

OSHPD submitted the Phase I regulations to the California Building Standards Commission (CBSC) on July 1, 1996. The Phase I regulations underwent public comment periods with subsequent revisions, and were adopted by the CBSC in March of 1997.

On December 31, 1996, OSHPD submitted to the Commission the second portion of the SB 1953 regulations, which comprise the seismic retrofit and administrative regulations (Phase II). These have also been through three public comment periods and were adopted by the CBSC at their March 18, 1998 meeting. OSHPD consulted with various individuals and organizations from both the public and private sector regarding development of these regulations.

Both Phase I and Phase II regulations are available on the OSHPD Web Site, www.oshpd.ca.gov, or by calling the Office of Public Affairs at (916) 654-1499.

The National Hispanic Medical Association applauds OSHPD Deputy Director, Gonzalez-Leiva

At a recent National Hispanic Medical Association Conference, Priscilla Gonzalez-Leiva, Deputy Director of the Office's Primary Care Resources and Community Development Division received a "Leadership for Hispanic Health" award. The award is a national recognition, given to those who have exhibited outstanding leadership and contributions to improving Hispanic health in the United States.

Congratulations Priscilla!

Funding for Study of Nonstructural Systems Approved by FEMA

Dr. Sami Masri, a Professor at the University of Southern California's School of Engineering, submitted a grant proposal to the Governor's Office of Emergency Services to study nonstructural aspects of hospital seismic safety design. The proposal is expected to take approximately 3 years and cost $4.9 million to complete. The Office recently received news that funding for this important project was approved by FEMA. The USC Team and OSHPD will be working closely together on the study.

In the 1994 Northridge Earthquake, 68 hospitals in the region had their operations disrupted by *nonstructural* damage, providing further evidence that the functioning of the hospital during the critical hours following an earthquake depends, to a large extent, on the control of damage to the nonstructural components of the building and its equipment. Though most code-compliant hospital structures performed well in the earthquake, nonstructural components failed in some, causing disruption of their ability to provide healthcare services to the community.

The scope of Dr. Masri's research project will focus on the vulnerability of nonstructural components of hospital design such as water systems, electric generators, elevators, and medical equipment. In his proposal, Dr. Masri stated "It is necessary to view the issues from a multi-disciplinary perspective, using modern aerospace 'system architecting' approaches." To accomplish his objective, Dr. Masri has assembled a team consisting of members from the USC Schools of Engineering, Medicine, and Public Administration, the Institute of Safety and Systems Management, the Southern California Earthquake Center, the National Center for Earthquake Engineering, representatives from private engineering firms and OSHPD staff. Tasks for each investigator

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Healthcare Information Division

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Providing accurate, relevant information that helps people to cope with these changes and make informed decisions is one of HID's highest goals. It has the capacity to look at an episode of care for a single anonymous individual. When is a person admitted into the hospital? For how long? For what illness? With what rehospitalizations? And with what outcome? These are data points that can be tracked and studied. "We now have the ability to zoom in on a blade of grass (the anonymous individual), as well as take the 100 mile view (all of California)," says Kassis.

In order to foster Kassis' goal for continuous improvement, HID has developed proposed legislation (SB 1973) that is being carried by State Senator Ken Maddy (R-Fresno) and Assemblywoman Kerry Mazzoni (D-Novato). Acting upon California Health Policy and Data Advisory Commission (CHPDAC) recommendations, the bill speeds up the release of hospital data. The bill also calls for creation of two important new databases: outpatient surgery and emergency room visits. (See related article, Page 5.)

Some of HID's most exciting accomplishments under Kassis' leadership involve data linkages. The ability to integrate our existing data with other health-related databases, through data linkages, has the power to reveal new information. Linking patient discharge data with vital statistics records such as birth certificates makes it possible to see relationships that could not be detected before. For example, researchers can see how birth outcomes for both moms and their newborns are affected by the health and socioeconomic status of expectant mothers and the healthcare they did or did not receive before delivery. Public health officials can focus maternal and child health programs in specific locations and for specific population groups based on the information. Patient discharge data linkages with death certificates provides a means to evaluate relationships between hospital events and patient outcomes. The linkage permits researchers to explore the longer-range effectiveness of certain inpatient medical procedures for specific medical conditions. Thus, these data linkages translate into better information, leading to better healthcare.

Data Programs

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- based and freestanding ambulatory surgery centers;
- To identify opportunities for streamlining and eliminating redundancy, OSHPD will contract with an outside consulting firm to conduct a comprehensive review of hospital reporting requirements;
- The sunset date will be extended to the year 2004.

The proposal has received support from a wide spectrum of stakeholders in the healthcare delivery field. The specific program enhancements put forward in this legislation reflect a consensus of health facilities, health plans, purchasers, employers and consumer representatives who were involved in the development of the recommendations put forth by the CHPDAC. The proposal's provisions for broader, more efficient and timely healthcare data would have a far reaching effect on California's healthcare and marketplace.

Legislation to implement the proposal is being carried by Senator Maddy and Assemblywoman Mazzoni, as SB 1973 (See Legislative Update on Page 13).

FEMA

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are clearly defined so that evaluation of the impacts on critical functions are determined by expert personnel. Remedies for minimizing the damage are developed with consideration of all factors that affect the survival and operation of hospitals and critical care facilities. Study results should include cost-effective hazard mitigation measures and procedures that would be useful in hospital design.

Information sharing sessions have begun, and specific team assignments are being developed. We'll keep you posted, as this research project develops. For more information, please contact: Bill Staehlin, Facilities Development Division, Quality Assurance Section, at (916) 654-1724.

Appointments

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highlights include large hospital construction, improvement and expansion projects. A licensed civil engineer, he received his Bachelor of Science Degree in Civil Engineering from the University of Notre Dame.

Managed Care

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Improving the Effectiveness of Managed Care: Many of the difficulties the public experiences with managed care have less to do with the healthcare they receive than with how the system operates, including the way it provides information to consumers. The Governor recognizes this need and proposes to improve disclosure and to standardize information; expand consumer choice of providers; remove unnecessary bureaucratic processes and expedite grievance and second opinion procedures.

The Administration understands the need for reform and improvement of the managed healthcare system, as well as the need to keep California's economy and competitiveness in good health. These proposals are designed to do just that — safeguard or improve high quality of care; prevent healthcare access from being diminished; and protect the long-term economic health of California.

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